



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: Paul Krutko
SUBJECT: ECONOMIC IMPACT OF OUTDOOR SPECIAL EVENTS
DATE: May 10, 2005

Approved /s/ Date 05/17/05

The Mayor's March Budget Message directed staff to "develop a performance measure matrix for the economic impact of major special events that considers sales tax generation, hotel bookings, restaurant sales, and other indicators to gauge the success of our efforts in this area."

The Office of Economic Development will take the lead on this assignment, with input from the Office of Cultural Affairs, Convention and Visitors Bureau, Team San Jose, the Redevelopment Agency, and the San Jose Sports Authority.

OED intends to conduct an RFP process to identify a specialist consultant to develop this tool so staff can start using it by the end of the 2005 calendar year. The key parameters of the scope of work are recommended as follows:

- The tool should be capable of estimating the economic impact of a range of Outdoor Special Events on the local economy and on the San Jose City government in particular.
- The tool developed by the consultant will become the property of the City, and should be easy to use and update as necessary by staff.
- The tool should be capable of being used for major events in the Downtown, as well as events taking place in the Neighborhood Business Districts.
- The consultant should provide specific recommendations, based on local context as well as national best-practices, for collecting real or proxy data needed to use the tool effectively and consistently over time (e.g., hotel rooms booked, spending by visitors). If survey data are recommended, specific directions regarding methods for implementing the survey should be included.
- The tool should take into account the impact of visitor and resident spending at on-site temporary permitted vendors as well as at off-site restaurants, hotels, parking services, retailers, etc.

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- Consideration should be given to how the tool could be adapted and used for Indoor Special Events (e.g., conventions, concerts, film festivals, expositions, performances, etc.) in addition to Outdoor Special Events.

/s/

PAUL KRUTKO

Director, Office of Economic Development